

**ND TEACHERS FUND FOR RETIREMENT
INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2005**

	December-05					September-05				Current	Prior Year	3 Years	5 Years
	Allocation		Quarter	Month	Market Value	Allocation		Quarter	Market Value	Net ROR	Net ROR	6/30/2005 Net	6/30/2005 Net
	Actual	Policy	Net ROR	Net ROR		Actual	Policy	Net ROR					
LARGE CAP DOMESTIC EQUITY													
<i>Structured Growth</i>													
LA Capital	67,240,887	4.1%	4.2%	3.42%	0.80%	67,862,477	4.3%	4.2%	5.64%	9.25%	8.17%	N/A	N/A
Total Structured Growth	67,240,887	4.1%	4.2%	3.42%	0.80%	67,862,477	4.3%	4.2%	5.64%	9.25%	8.17%	8.30%	-8.29%
Russell 1000 Growth				2.98%	-0.31%				4.01%	7.11%	1.67%	7.25%	-10.36%
<i>Structured Value</i>													
LSV	68,180,735	4.2%	4.2%	2.42%	1.13%	67,425,742	4.2%	4.2%	4.82%	7.36%	18.24%	14.45%	14.70%
Russell 1000 Value				1.27%	0.60%				3.88%	5.20%	14.06%	11.00%	5.27%
<i>Enhanced Russell 1000 Index</i>													
LA Capital	90,834,884	5.6%	5.6%	2.69%	0.98%	91,092,260	5.7%	5.6%	6.85%	9.72%	7.39%	8.78%	N/A
Russell 1000				2.12%	0.13%				3.95%	6.15%	7.92%	9.19%	N/A
<i>Enhanced S&P 500 Index</i>													
Northern Trust	90,042,992	5.5%	5.6%	2.57%	0.39%	88,811,633	5.6%	5.6%	3.81%	6.48%	6.02%	8.16%	N/A
Westridge	90,109,298	5.5%	5.6%	2.10%	0.05%	88,609,621	5.6%	5.6%	3.65%	5.82%	6.66%	8.57%	N/A
Total Enhanced S&P 500 Index	180,152,291	11.1%	11.2%	2.33%	0.22%	177,421,254	11.2%	11.2%	3.73%	6.15%	6.26%	8.87%	N/A
S&P 500				2.09%	0.03%				3.60%	5.77%	6.32%	8.28%	N/A
<i>S&P 500 Index</i>													
State Street	45,197,551	2.8%	2.8%	2.07%	0.03%	44,455,053	2.8%	2.8%	3.61%	5.76%	6.34%	8.30%	-2.34%
S&P 500				2.09%	0.03%				3.60%	5.77%	6.32%	8.28%	-2.37%
TOTAL LARGE CAP DOMESTIC EQUITY	451,606,348	27.8%	28.0%	2.55%	0.58%	448,256,787	28.2%	28.0%	4.78%	7.45%	8.65%	9.54%	-0.74%
S&P 500				2.09%	0.03%				3.60%	5.77%	6.32%	8.28%	-2.37%
SMALL CAP DOMESTIC EQUITY													
<i>Manager-of-Managers</i>													
SEI	162,496,683	10.0%	10.0%	0.97%	-0.01%	160,738,542	10.1%	10.0%	5.48%	6.49%	9.36%	13.65%	N/A
Russell 2000 + 200bp				1.64%	-0.29%				5.21%	6.93%	11.64%	15.07%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	162,496,683	10.0%	10.0%	0.97%	-0.01%	160,738,542	10.1%	10.0%	5.48%	6.49%	9.36%	13.65%	5.64%
Russell 2000				1.13%	-0.46%				4.69%	5.88%	9.45%	12.81%	5.71%
INTERNATIONAL EQUITY													
<i>Large Cap - Core</i>													
State Street	30,470,006	1.9%	1.8%	4.44%	4.82%	31,022,932	2.0%	1.8%	10.65%	15.56%	7.68%	7.31%	-2.19%
MSCI EAFE (1)				4.08%	4.65%				10.38%	14.88%	9.59%	7.29%	-2.85%
<i>Large Cap - Active</i>													
Capital Guardian	92,716,775	5.7%	5.4%	9.43%	6.09%	92,848,967	5.8%	5.4%	11.82%	22.37%	11.23%	7.35%	-3.02%
LSV	90,284,000	5.6%	5.4%	4.29%	4.07%	92,394,479	5.8%	5.4%	11.55%	16.33%	N/A	N/A	N/A
Bank of Ireland	30,113,462	1.9%	1.8%	3.28%	3.63%	29,873,730	1.9%	1.8%	6.99%	10.50%	12.20%	N/A	N/A
Total Large Cap - Active	213,114,237	13.1%	12.6%	6.36%	4.89%	215,117,176	13.5%	12.6%	11.02%	18.08%	13.74%	8.14%	-2.37%
MSCI EAFE - 50% Hedged				5.84%	4.68%				11.07%	17.55%	14.41%	8.84%	-2.01%
<i>Small Cap - Active</i>													
Lazard	30,024,512	1.8%	1.8%	2.89%	6.04%	30,579,069	1.9%	1.8%	9.65%	12.81%	19.82%	N/A	N/A
Wellington	31,057,641	1.9%	1.8%	5.95%	6.63%	30,026,839	1.9%	1.8%	8.08%	14.52%	12.00%	N/A	N/A
Total Small Cap - Active	61,082,154	3.8%	3.6%	4.41%	6.34%	60,605,908	3.8%	3.6%	8.88%	13.68%	15.90%	N/A	N/A
Citigroup Broad Market Index < \$2BN				8.94%	7.40%				12.05%	22.06%	21.33%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	304,666,397	18.7%	18.0%	5.77%	5.17%	306,746,016	19.3%	18.0%	10.56%	16.94%	13.12%	10.28%	-0.51%
MSCI EAFE - 50% Hedged				5.84%	4.68%				11.07%	17.55%	14.41%	8.84%	-2.01%
EMERGING MARKETS EQUITY													
<i>Core</i>													
Capital Guardian	15,973,631	1.0%	1.7%	9.92%	6.56%	67,304,784	4.2%	3.6%	16.25%	27.79%	33.94%	22.44%	4.12%
Ishares-Index Fund (temporary)	13,956,077	0.9%	0.9%	N/A	4.95%	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
JP Morgan	14,188,646	0.9%	0.9%	N/A	5.35%	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
UBS	27,103,415	1.7%	1.5%	7.63%	6.66%	23,426,635	1.5%	1.4%	N/A	N/A	N/A	N/A	N/A
Total Core	71,221,770	4.4%	4.9%	8.68%	6.04%	90,731,419	5.7%	5.0%	17.05%	27.21%	33.94%	22.44%	4.12%
MSCI Emerging Markets Free				7.20%	5.92%								
<i>Small Cap</i>													
DFA	16,360,853	1.0%	1.0%	8.16%	6.50%	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
MSCI Emerging Markets Free				7.20%	5.92%								
TOTAL EMERGING MARKETS EQUITY	87,582,622	5.4%	5.0%	8.22%	6.11%	90,731,419	5.7%	5.0%	17.05%	26.67%	33.94%	22.44%	4.12%
MSCI Emerging Markets Free				7.20%	5.92%				18.11%	26.62%	34.89%	24.42%	7.64%
DOMESTIC FIXED INCOME													
<i>Core Bond</i>													
Western Asset	20,561,588	1.3%	1.3%	0.24%	1.06%	17,424,367	1.1%	1.3%	-0.48%	-0.25%	7.25%	7.46%	8.91%
Lehman Aggregate				0.59%	0.95%				-0.67%	-0.08%	6.80%	5.75%	7.40%
<i>Index</i>													
Bank of ND	41,979,590	2.6%	3.0%	0.64%	0.90%	35,825,304	2.3%	2.4%	-0.93%	-0.29%	7.23%	6.11%	7.77%
Bank of ND Match Loan CD Program	-	0.0%	0.0%	N/A	N/A	9,466,484	0.6%	0.6%	1.28%	5.08%	5.33%	5.53%	5.53%
Total Index	41,979,590	2.6%	3.0%	0.83%	0.90%	45,291,788	2.9%	3.0%	-0.43%	0.40%	6.91%	5.88%	7.41%
Lehman Gov/Credit				0.60%	0.95%				-0.96%	-0.37%	7.26%	6.41%	7.70%
<i>Convertibles</i>													
TCW	20,648,355	1.3%	1.3%	1.16%	0.36%	17,634,678	1.1%	1.2%	2.95%	4.14%	-0.23%	8.73%	-2.63%
Merrill Lynch All Convertibles				0.46%	0.80%				4.15%	4.63%	0.66%	9.94%	0.50%

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	December-05					September-05				Current	Prior Year	3 Years	5 Years
	Allocation		Quarter	Month	Net ROR	Allocation		Quarter	Net ROR	Fiscal YTD	FY05	6/30/2005	6/30/2005
	Market Value	Actual	Policy	Net ROR		Market Value	Actual	Policy					
BBB Average Quality													
Wells Capital	20,484,348	1.3%	1.3%	0.56%	1.04%	17,187,985	1.1%	1.3%	-0.82%	-0.26%	12.04%	9.22%	8.81%
Lehman BBB				0.39%	1.03%				-0.97%	-0.58%	8.60%	9.16%	7.86%
Private Debt													
Prudential	20,593,142	1.3%	1.3%	0.82%	0.90%	17,068,877	1.1%	1.1%	-0.27%	0.54%	N/A	N/A	N/A
Lehman Aggregate				0.59%	0.95%					-0.08%	N/A	N/A	N/A
Timberland													
RMK	17,420,892	1.1%	1.1%	-6.09%	-0.08%	18,654,838	1.2%	1.2%	-0.24%	-6.31%	14.50%	12.47%	N/A
TIR	47,067,051	2.9%	2.9%	3.19%	0.00%	46,894,851	3.0%	3.0%	-0.09%	3.09%	N/A	N/A	N/A
Total Timberland	64,487,943	4.0%	4.0%	0.55%	-0.02%	65,549,689	4.1%	4.1%	-0.13%	0.42%	44.29%	21.48%	N/A
NCREIF Timberland Index					0.32%					1.91%	14.07%	7.31%	N/A
TOTAL DOMESTIC FIXED INCOME	188,754,966	11.6%	12.0%	0.68%	0.55%	180,157,384	11.3%	12.0%	-0.09%	0.60%	19.23%	11.83%	8.92%
Lehman Aggregate				0.59%	0.95%				-0.67%	-0.08%	6.80%	5.75%	7.40%
HIGH YIELD BONDS													
Loomis Sayles	56,509,411	3.5%	3.5%	1.36%	1.78%	53,960,876	3.4%	3.5%	1.24%	2.62%	15.96%	N/A	N/A
Lehman High Yield Cash Pay Index				0.80%	0.92%				0.99%	1.80%	10.83%	N/A	N/A
Sutter/Wells Capital	56,177,621	3.5%	3.5%	1.38%	0.86%	53,167,967	3.3%	3.5%	0.31%	1.69%	9.62%	N/A	N/A
Merrill Lynch High Yield Master II Index				0.80%	0.92%				0.99%	1.80%	10.63%	N/A	N/A
TOTAL HIGH YIELD BONDS	112,687,032	6.9%	7.0%	1.37%	1.32%	107,128,843	6.7%	7.0%	0.77%	2.16%	12.76%	13.38%	5.52%
Lehman High Yield Bond Index				0.80%	0.92%				0.99%	1.80%	10.86%	14.51%	7.47%
INTERNATIONAL FIXED INCOME													
International Sovereign													
UBS Global (Brinson)	37,285,185	2.3%	2.5%	-2.54%	1.46%	37,619,820	2.4%	2.5%	-1.08%	-3.60%	7.92%	11.22%	8.24%
Citigroup Non-US Gov't Bond Index (2)				-2.61%	1.16%				-1.24%	-3.81%	7.75%	10.98%	7.92%
International Core													
Brandywine	38,833,022	2.4%	2.5%	-0.22%	1.37%	38,230,563	2.4%	2.5%	0.80%	0.58%	11.78%	N/A	N/A
Lehman Global Aggregate (ex-US)				-2.39%	1.02%				-0.86%	-3.22%	8.10%	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	76,118,207	4.7%	5.0%	-1.36%	1.42%	75,850,384	4.8%	5.0%	-0.15%	-1.51%	9.84%	12.08%	8.74%
Citigroup Non-US Gov't Bond Index (2)				-2.61%	1.16%				-1.24%	-3.81%	7.75%	10.98%	7.92%
REAL ESTATE													
INVESCO	76,609,480			1.73%	1.56%	75,429,387			7.19%	9.04%	22.20%	12.15%	10.44%
J.P. Morgan	78,429,427			4.94%	2.36%	74,740,673			6.33%	11.58%	19.52%	12.70%	10.44%
TOTAL REAL ESTATE	155,038,907	9.5%	9.0%	3.33%	1.97%	150,170,060	9.5%	9.0%	6.76%	10.32%	20.77%	12.39%	10.43%
NCREIF TOTAL INDEX				5.43%	1.78%				4.44%	10.11%	18.02%	12.07%	10.81%
ALTERNATIVE INVESTMENTS													
Brinson IVCF III	636,867			5.25%	5.25%	605,117			-4.74%	0.26%	15.66%	3.94%	8.26%
Coral Partners V	4,597,264			1.43%	0.00%	4,531,606			0.01%	1.44%	-18.97%	-24.36%	-22.64%
Coral Partners V - Supplemental	548,089			-1.04%	0.00%	553,759			-7.36%	-8.32%	-6.85%	-4.52%	N/A
Coral Partners VI	5,497,553			2.13%	0.00%	4,441,159			-1.55%	0.55%	-1.17%	N/A	N/A
Brinson 1998 Partnership Fund	1,424,350			3.50%	3.50%	1,375,868			3.17%	6.78%	19.64%	3.73%	-1.83%
Brinson 1999 Partnership Fund	2,395,782			0.64%	0.64%	2,684,436			2.44%	3.10%	9.31%	1.61%	-4.71%
Brinson 2000 Partnership Fund	5,653,355			3.70%	3.70%	5,477,157			6.45%	10.39%	14.97%	3.21%	-0.80%
Brinson 2001 Partnership Fund	3,796,657			2.53%	2.30%	3,237,697			3.91%	6.53%	4.00%	1.40%	N/A
Brinson 2002 Partnership Fund	2,092,282			3.38%	3.38%	2,023,538			3.47%	6.97%	-4.22%	6.13%	N/A
Brinson 2003 Partnership Fund	515,309			5.26%	5.26%	402,612			7.59%	13.25%	1.71%	N/A	N/A
Total Brinson Partnership Funds	15,877,735			2.93%	2.88%	15,201,308			4.56%	7.62%	9.80%	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,206,014			-1.05%	-1.05%	1,218,589			-5.55%	-6.54%	32.09%	21.85%	11.30%
Brinson 2000 Non-US Partnership Fund	1,809,015			7.48%	7.48%	1,682,785			-0.69%	6.74%	15.57%	13.45%	4.88%
Brinson 2001 Non-US Partnership Fund	1,602,426			3.98%	3.98%	1,845,259			9.11%	13.45%	9.19%	8.24%	N/A
Brinson 2002 Non-US Partnership Fund	2,768,358			15.23%	15.23%	2,187,730			-0.04%	15.18%	12.60%	12.07%	N/A
Brinson 2003 Non-US Partnership Fund	1,363,969			12.34%	12.34%	1,213,956			0.61%	13.03%	2.52%	N/A	N/A
Brinson 2004 Non-US Partnership Fund	511,716			9.37%	9.37%	317,320			4.09%	13.84%	0.42%	N/A	N/A
Total Brinson Non-US Partnership Fund	9,261,497			8.44%	8.44%	8,465,638			0.99%	9.51%	15.11%	N/A	N/A
Brinson BVCF IV	7,995,650			8.77%	0.00%	7,349,685			10.29%	19.96%	6.06%	3.14%	-7.20%
Matlin Patterson Global Opportunities	7,440,942			-1.36%	0.00%	7,766,353			-8.79%	-10.03%	102.75%	N/A	N/A
Matlin Patterson Global Opportunities II	6,638,944			0.00%	0.00%	6,641,087			0.00%	0.00%	N/A	N/A	N/A
InvestAmerica	2,110,859			0.00%	0.00%	2,110,465			0.00%	0.00%	-18.88%	-13.16%	N/A
Hearthstone MSII	1			0.00%	0.00%	333,439			0.00%	0.00%	1214.92%	179.43%	90.03%
Hearthstone MSIII	4,366,454			7.40%	0.00%	6,068,486			4.53%	12.27%	16.51%	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (3)	64,971,854	4.0%	5.0%	3.63%	1.78%	64,068,103	4.0%	5.0%	1.57%	5.27%	17.30%	3.06%	-3.04%
CASH EQUIVALENTS													
Northern Trust STIF/STEP	22,455,643	1.4%	1.0%	0.85%	0.28%	3,993,964	0.3%	1.0%	0.89%	1.75%	2.19%	1.82%	2.72%
90 Day T-Bill				0.92%	0.32%				0.83%	1.75%	2.15%	1.55%	2.62%
TOTAL FUND	1,626,378,659	100.0%	100.0%	2.87%	1.92%	1,587,841,502	100.0%	100.0%	5.70%	8.73%	13.36%	11.42%	3.23%
POLICY TARGET BENCHMARK				2.82%	1.59%				4.95%	7.90%	11.68%	10.29%	2.47%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(3) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.